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MEMORANDUM FOR: Acting Director of Central Intelligence

SUBJECT:

G Contracts

- 1. We prepared a detailed analysis of the G contracts provided by McMillan for the Director and thoroughly support his conviction that Vance's problem is a semantic one.
- 2. I am most reluctant to modify our existing contractual relationships, primarily because of the disasterous effect it will have on the SPS FULCRUM group and DD/S&T generally. The DOD nagging on technical direction is well known to our people via the EXCOM minutes, and any move to accommodation will be taken as capitulation to a ridiculous demand. We will receive little appreciation from DOD for our accommodation, since their basic intent is to thwart FULCRUM. Our position in the past has been absolutely proper, and I believe that we cannot appear to compromise it at this time.

ALBERT D. WHEELON
Deputy Director
for
Science and Technology

cc: Executive Director

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EXECUTIVE REGISTRY ROOM 7-E-12

